

**KISATCHIE-DELTA REGIONAL PLANNING
AND DEVELOPMENT DISTRICT, INC.**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 1/29/10

Table Of Contents

INDEPENDENT AUDITORS' REPORT	1 – 2
 <u>REQUIRED SUPPLEMENTAL INFORMATION</u>	
Management's Discussion And Analysis.....	3 – 6
 <u>GOVERNMENT-WIDE FINANCIAL STATEMENTS</u>	
Statement Of Net Assets.....	7
Statement Of Activities.....	8
 <u>FUND FINANCIAL STATEMENTS</u>	
Governmental Funds	
Balance Sheet.....	9
Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement of Net Assets	10
Statement of Revenues, Expenditures and Changes in Fund Balance	11 – 12
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	13
Notes to Financial Statements.....	14 – 22
 <u>SUPPLEMENTAL FINANCIAL INFORMATION</u>	
Combining Statement of Revenue, Expenditures and Changes in Fund Balances	23
 <u>OTHER REPORTS</u>	
Report On Internal Control Over Financial Reporting And On Compliance And Other Matters Based On An Audit Of General Purpose Financial Statements Performed In Accordance With Government Auditing Standards.....	24 – 25
Schedule Of Findings and Questioned Costs.....	26
Management's Corrective Action Plan	27
Schedule of Prior Year Findings and Questioned Cost.....	28

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December 18, 2009

INDEPENDENT AUDITORS' REPORT

Kisatchie Delta Regional Planning and
Development District, Inc.
Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Kisatchie Delta Regional Planning and Development District, Inc. as of and for the year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Kisatchie Delta's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Kisatchie Delta Regional Planning and Development District, Inc. as of June 30, 2009 and the respective changes in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States.

The management's discussion and analysis listed in the accompanying table of contents is not a required part of the financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquires of management regarding the methods of

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INDEPENDENT AUDITORS' REPORT


DECEMBER 18, 2009

PAGE 2

measurement and presentation of the required supplemental information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated December 18, 2009 on our consideration of the Kisatchie Delta's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Kisatchie-Delta's basic financial statements. The combining financial statements listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the financial statements of the Kisatchie Delta Regional Planning and Development District, Inc. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2009

This section of Kisatchie-Delta Regional Planning and Development District's annual financial report presents our discussion and analysis of the District's financial performance during the year ended June 30, 2009.

OVERVIEW OF FINANCIAL STATEMENTS

The basic financial statements include government-wide financial statements and fund financial statements. These two types of financial statements present Kisatchie-Delta's financial position and results of operations from differing perspectives, which are described as follows:

Government –Wide Financial Statements

The government-wide financial statements report information about Kisatchie-Delta as a whole using accounting methods similar to those used by private-sector companies. These report all revenues and expenses regardless of when cash is received or paid. Furthermore, the government-wide statements include all of Kisatchie-Delta's assets and all of its liabilities (including long-term debt). Expenses incurred in connection with the operation of Kisatchie-Delta's programs are reported as governmental activities. The governmental activities are financed by grants, fees and membership dues.

Fund Financial Statements

Fund financial statements provide detailed information regarding Kisatchie-Delta's most significant activities and are not intended to provide information for Kisatchie-Delta as a whole. Funds are accounting devices that are used to account for specific sources of funds. Kisatchie-Delta's funds are all classified as governmental funds. These funds are used to account for essentially the same functions that are reported as governmental activities in the government-wide financial statements. However, unlike government-wide financial statements, the governmental funds use a modified accrual basis of accounting that provides a short-term view of Kisatchie-Delta's finances. Assets reported by governmental funds are limited to amounts that are available for current needs. In addition, liabilities are limited to amounts that are expected to be paid from currently available assets.

FINANCIAL ANALYSIS OF KISATCHIE-DELTA AS A WHOLE

Government-wide financial data for Kisatchie-Delta are presented as follows:

Net Assets

A condensed version of the government-wide Statement of Net Assets is presented as follows:

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2009

	June 30,	
	2009	2008
<u>Assets:</u>		
Current and Other Assets	\$ 778,633	\$ 865,566
Capital Assets	4,666	4,759
Total Assets	783,299	870,325
<u>Liabilities:</u>		
Current and Other Liabilities	79,915	93,913
Long-term Liabilities	1,059,536	1,130,491
Total Liabilities	1,139,451	1,224,404
<u>Net Assets:</u>		
Invested in Capital Assets	4,666	4,759
Unrestricted	(360,818)	(358,838)
Total Net Assets	\$ (356,152)	\$ (354,079)

In order to promote economic development, Kisatchie-Delta has borrowed \$2,000,000 from the USDA's Intermediary Relending Program (IRP) for the purpose of establishing a revolving loan fund. Kisatchie-Delta's IRP loan program has originated numerous loans and these loans have experienced a substantial rate of default. Due to losses associated with these problem loans, liabilities currently exceed assets and Kisatchie-Delta has a substantial deficit in unrestricted net assets. However, long-term liabilities are payable in annual installments, which are due over a series of years. Since, payments are structured over a series of years, Kisatchie-Delta has sufficient resources on hand to meet its ongoing obligations for the foreseeable future.

Changes in Net Assets

A condensed version of the government-wide Statement of Changes in Net Assets is presented as follows:

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2009

	<u>June 30,</u>	
	<u>2009</u>	<u>2008</u>
<u>Revenues:</u>		
Program Revenue:		
Charges for Services	\$ 43,526	\$ 78,044
Operating Grants and Contributions	142,436	122,906
General Revenue:		
Membership Dues	31,782	48,760
Miscellaneous	41,840	43,548
Total Revenue	259,584	293,258
<u>Program Expenses:</u>		
General Government		
Finance & Administrative	46,855	54,469
Economic Development		
Federal Procurement	67,619	57,517
EDA Regional Planning	61,286	69,500
Business Loans	40,262	51,061
Assistance to Local Governments	7,755	---
Rural Business Enterprise	21,105	---
Renewal Community Projects	6,796	9,948
Delta Regional Assistance	9,979	15,089
Total Expenses	261,657	257,584
 Change in Net Assets	 (2,073)	 35,674
Net Assets Beginning	(354,079)	(389,753)
 Net Assets Ending	 \$ (356,152)	 \$ (354,079)

As presented above, Kisatchie-Delta's expended resources received with only a slight over run. Results for the year essentially represented a break even for current operations.

FINANCIAL ANALYSIS OF KISATCHIE-DELTA'S FUNDS

Activity for Kisatchie-Delta's major funds and the aggregate remaining funds is presented as follows:

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Management's Discussion and Analysis

For the Year Ended June 30, 2009

	<u>Revenues</u>	<u>Expenditures</u>	<u>Other Sources And Uses</u>	<u>Excess (Deficiency)</u>
General Fund	\$ 76,800	\$ 63,190	\$ (30,000)	\$ (16,390)
EDA	50,000	61,286	18,000	6,714
Intermediary Relending	35,347	95,081	----	(59,734)
Federal Procurement	55,911	67,619	12,000	292
Rural Business Enterprise	19,517	23,105		(3,588)
Renewal Community	7,295	6,796	-----	499
Cottonport Infrastructure	----	7,755	----	(7,755)
Other Governmental Funds	14,713	9,979	----	4,734
Total	<u>\$ 259,583</u>	<u>\$334,811</u>	<u>\$ ----</u>	<u>\$ (75,228)</u>

The General Fund balance decreased as a result of transfers to provide matching funds to the EDA and Federal Procurement programs.

The Intermediary Relending Program experienced a deficiency because principal payments on long-term debt are reported as expenditures by the governmental funds. For the year ended June 30, 2009, principal payments totaled \$70,253. In addition, the Intermediary Relending Program recovered loan losses totaling \$7,996 as a result of payments received on loans previously written off.

GENERAL FUND BUDGET HIGHLIGHTS

Kisatchie-Delta is a non-profit organization governed by a Board of Directors that is appointed by various governmental units. Since it is organized as a nonprofit organization, Kisatchie-Delta is not required to adopt or amend budgets for its funds and no budget comparisons are presented.

CAPITAL ASSET ADMINISTRATION

Capital asset activity for the year ended June 30, 2009 consisted of the depreciation of office equipment and software utilized to administer current grant programs. Additional software is currently in development and expected to be placed in service in 2010.

DEBT ADMINISTRATION

For the year ended June 30, 2009, debt activity was limited to the contractual maturity of existing obligations and changes in compensated absences.

FACTORS EXPECTED TO EFFECT FUTURE OPERATIONS

At the present time, no significant factors are expected to effect further operations.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Net Assets

June 30, 2009

	Governmental Activities
<hr/>	
<u>Assets</u>	
Cash and cash equivalents	\$ 530,787
Accounts receivable	40,850
Other assets	900
Loans receivable, net of allowance for loan losses	206,096
Depreciable capital assets, net	2,666
Non-depreciable capital assets, net	<u>2,000</u>
 Total assets	 <u>783,299</u>
 <u>Liabilities:</u>	
Accounts and other payables	2,320
Long-term liabilities	
Accrued leave	6,640
Note Payable - USDA	
Due within one year	70,955
Due in more than one year	<u>1,059,536</u>
 Total liabilities	 <u>1,139,451</u>
 <u>Net Assets</u>	
Invested in capital assets, net of related debt	4,666
Unrestricted	<u>(360,818)</u>
 Total net assets (deficit)	 <u>\$ (356,152)</u>

The accompanying notes are an integral part of the financial statements.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Activities

Year Ended June 30, 2009

	Expenses	Program Revenues			Net (Expenses) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants & Contributions	
Governmental Activities:					
General Government	\$ 46,855	\$ -	\$ -	-	\$ (46,855)
Finance and Administration					
Economic Development	67,619	-	55,911	-	(11,708)
Federal Procurement	61,286	-	50,000	-	(11,286)
EDA Regional Planning	40,262	40,526	-	-	264
Business Loans	7,755	3,000	-	-	(4,755)
Assistance to Local Governments	21,105	-	19,517	-	(1,588)
Rural Business Enterprise	6,796	-	7,295	-	499
Renewal Community Projects	9,979	-	9,713	-	(266)
Delta Regional Assistance					
Total Governmental Activities	261,657	43,526	142,436	-	(75,695)

General Revenues:

Membership Dues	31,782
Miscellaneous	41,840
Total General Revenues	73,622
Change in Net Assets	(2,073)
Net Assets Beginning	(354,079)
Net Assets Ending	\$ (356,152)

The accompanying notes are an integral part of the financial statements.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Balance Sheet

Governmental Funds - June 30, 2009

	General	EDA	Intermediary Relending	Federal Procurement	RBEG	Renewal Community	Cottonport Infrastructure	Other Governmental Funds	Total Governmental Funds
Assets									
Cash and cash equivalents	\$ 96,260	\$ -	\$ 434,527	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 530,787
Accounts receivable	17,630	-	-	-	1,925	7,295	-	14,000	40,850
Interfund receivables	20,438	22,479	-	15,294	-	-	-	8,015	66,226
Other assets	900	-	-	-	-	-	-	-	900
Loans receivable, net of allowance for loan losses	-	-	206,096	-	-	-	-	-	206,096
Total assets	135,228	22,479	640,623	15,294	1,925	7,295	-	22,015	844,859
Liabilities and Fund Balance									
Liabilities:									
Accounts and other payables	1,071	619	94	350	78	26	31	51	2,320
Interfund payables	-	-	30,875	-	7,339	16,554	7,724	3,734	66,226
Total liabilities	1,071	619	30,969	350	7,417	16,580	7,755	3,785	68,546
Fund Balance									
General Fund	134,157	-	-	-	-	-	-	-	134,157
Special Revenue Funds	-	21,860	609,654	14,944	(5,492)	(9,285)	(7,755)	18,230	642,156
Total Fund Balances	134,157	21,860	609,654	14,944	(5,492)	(9,285)	(7,755)	18,230	776,313
Total Liabilities and Fund Balance	\$ 135,228	\$ 22,479	\$ 640,623	\$ 15,294	\$ 1,925	\$ 7,295	\$ -	\$ 22,015	\$ 844,859

The accompanying notes are an integral part of the financial statements

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Reconciliation of Fund Balances on the Balance Sheet for Governmental Funds to Net Assets of Governmental Activities on the Statement Net Assets

June 30, 2009

Total Fund Balances - Governmental Funds	\$ 776,313
Amounts reported for governmental activities in the statement of net assets are different because:	
Long term liabilities are not due and payable in the current period and therefore they are not reported in the Governmental Fund Balance Sheet	(1,137,131)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>4,666</u>
Net Assets of Governmental Activities	<u>\$ (356,152)</u>

The accompanying notes are an integral part of the financial statements.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2009

	General	EDA	Intermediary Relending	Federal Procurement	RBEG	Renewal Community	Cottonport Infrastructure	Other Governmental Funds	Total Governmental Funds
Revenues:									
Grants - Federal	\$ -	\$ 50,000	\$ -	\$ 55,911	\$ 19,517	\$ -	\$ -	\$ 5,963	\$ 131,391
State funds	-	-	-	-	-	7,295	-	-	7,295
Local funds	3,000	-	-	-	-	-	-	3,750	6,750
Memberships dues	31,782	-	-	-	-	-	-	-	31,782
Interest and fees from loans	14,068	-	18,461	-	-	-	-	-	32,529
Recoveries	-	-	7,996	-	-	-	-	-	7,996
Miscellaneous	27,950	-	8,890	-	-	-	-	5,000	41,840
Total revenues	76,800	50,000	35,347	55,911	19,517	7,295	-	14,713	259,583
Expenditures:									
Current									
General Government	47,757	-	-	-	-	-	-	-	47,757
Finance and Administration	-	-	-	-	-	-	-	-	-
Economic Development	-	-	-	67,619	-	-	-	-	67,619
Federal Procurement	-	61,286	-	-	-	-	-	-	61,286
EDA Regional Planning	15,433	-	12,821	-	-	-	-	-	28,254
Business Loans	-	-	-	-	21,105	-	-	-	21,105
Rural Business Enterprise	-	-	-	-	-	6,796	-	-	6,796
Renewal Community Projects	-	-	-	-	-	-	-	9,979	9,979
Delta Regional Assistance	-	-	-	-	-	-	7,755	-	7,755
Assistance to Local Government	-	-	-	-	2,000	-	-	-	2,000
Capital Expenditures	-	-	-	-	-	-	-	-	-
Debt Service	-	-	82,260	-	-	-	-	-	82,260
Total expenditures	63,190	61,286	95,081	67,619	23,105	6,796	7,755	9,979	334,811
Excess (deficiency) of revenues over expenditures	13,610	(11,286)	(59,734)	(11,708)	(3,588)	499	(7,755)	4,734	(75,228)

The accompanying notes are an integral part of the financial statements

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Statement of Revenues, Expenditures and Changes in Fund Balance Governmental Funds - Year Ended June 30, 2009

	General	EDA	Intermediary Relending	Federal Procurement	RBEG	Renewal Community	Cottonport Infrastructure	Other Governmental Funds	Total Governmental Funds
Excess (deficiency) of revenues over expenditures	13,610	(11,286)	(59,734)	(11,708)	(3,588)	499	(7,755)	4,734	(75,228)
Other Financing Sources (Uses):									
Opening transfers in (out)	(30,000)	18,000	-	12,000	-	-	-	-	-
Excess (deficiency) of revenues and other resources over other resources over (under) expenditures and other uses	(16,390)	6,714	(59,734)	292	(3,588)	499	(7,755)	4,734	(75,228)
Fund balance - beginning of year	150,547	15,146	669,388	14,652	(1,904)	(9,784)	-	13,496	851,541
Fund balance - end of year	\$ 134,157	\$ 21,860	\$ 609,654	\$ 14,944	\$ (5,492)	\$ (9,285)	\$ (7,755)	\$ 18,230	\$ 776,313

The accompanying notes are an integral part of the financial statements

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities

Year Ended June 30, 2009

Net change in fund balances of Governmental Funds \$ (75,228)

Amounts reported for governmental activities in the statement of
activities are different because:

Governmental funds report capital outlays as expenditures. However, in the
statement of activities the cost of those assets is allocated over
estimated useful lives and reported as depreciation expense. Capital
outlays and depreciation are presented as follows:

Capital Outlay	2,000
Depreciation	(2,093)

Repayment of debt principal is an expenditure in the governmental funds, but
the repayment reduces long-term liabilities in the statement of net assets.

73,248

Change in net assets of governmental activities \$ (2,073)

The accompanying notes are an integral part of the financial statements.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Kisatchie-Delta Regional Planning and Development District, Inc. is a non-profit organization organized under the Laws of the State of Louisiana. The District represents a portion of Central Louisiana that includes eight (8) parishes. Kisatchie-Delta is governed by a Board of Directors and members of the Board are appointed by the governing bodies of various political subdivisions that lie within the boundaries of the District.

Kisatchie-Delta was organized in order to promote economic development and alleviate unemployment. Its activities are financed by Federal and State grants, as well as support from local governmental units. Since Kisatchie-Delta is financed by governmental sources and, since its Board of Directors is appointed by various local governments, Kisatchie-Delta is considered to be a quasi-governmental unit for financial reporting purposes. The accompanying financial statements were prepared in conformity with generally accepted accounting principles for governmental units.

The following is a summary of certain significant accounting policies and practices:

Financial Reporting Entity

Kisatchie-Delta is considered a legally separate stand-alone government as defined by Statement No. 14 of the Governmental Accounting Standards Board. The reporting entity is composed of the activities that are under the direct control of the Board of Directors. Kisatchie-Delta is not financially accountable for any organizations that maintain separate legal standing; therefore, it has no component units.

Basic Financial Statements

All of Kisatchie-Delta's operations are classified as governmental activities. Governmental activities involve government services that are normally supported by intergovernmental revenues and certain fees. The basic financial statements include both government-wide and fund financial statements. The government-wide and fund financial statements present the District's financial position and results of operations from differing perspectives which are described as follows:

Government-Wide Financial Statements

The Statement of Net Assets and the Statement of Activities display information about Kisatchie-Delta as a whole. The effect of interfund activity is eliminated from these financial statements. Furthermore, government-wide financial statements exclude any fiduciary activities which are reported in the fund financial statements.

Program revenues reported in the Statement of Activities consist of amounts that are directly associated with a governmental service. Program revenues include charges for services, fees, contributions associated with a particular function and most grants.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2009

Fund Financial Statements

Funds are separate accounting entities that are designed to assist with demonstrating legal compliance and segregating transactions by activity. Major individual funds are reported as separate columns in the fund financial statements. The District's major funds are described as follows:

- General Fund – The general fund is the primary operating fund and is used to account for all governmental activities that are not required to be presented elsewhere.
- EDA – This fund accounts for activity related to regional planning activities supported by EDA grants and local matching funds.
- Intermediary Relending – This fund accounts for revolving loan activity that is financed by a loan from the United States Department of Agriculture.
- Federal Procurement – This fund accounts for assistance provided to businesses that are interested in doing business with federal agencies. Federal procurement is financed with grant funds provided by the Louisiana Productivity Center and local matching funds.
- RBEG – Fund established to account for resources devoted to provide the training and development of rural entrepreneurs.
- Renewal Community - Fund established to account for resources devoted to administering programs associated with the Central Louisiana Renewal Community.
- Cottonport Infrastructure – Fund established to account for assistance provided to Town of Cottonport to administer grant funding for public works project.

Basis Of Accounting and Measurement Focus

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied. The basis of accounting and measurement focus used for various financial statement presentations are described as follows:

<u>Financial Statement Presentation</u>	<u>Basis of Accounting</u>	<u>Measurement Focus</u>
Government-Wide Financial Statements	Accrual Basis	Economic Resources
Fund Financial Statements	Modified Accrual Basis	Current Financial Resources

Under the accrual basis of accounting and the economic resources measurement focus, revenues are recorded when earned and expenses are recorded when a liability is incurred.

Under the modified accrual basis of accounting and the current financial resources measurement focus revenue is recognized when it is considered measurable and available. Revenue is considered available if it is collected within 90 days of year end. In addition, expenses are generally recorded when a liability has been incurred. Furthermore, when the current financial resources measurement

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2009

focus is used, amounts recorded as assets exclude capital assets and the acquisition of capital assets is treated as an expenditure. In addition, long-term debts are excluded from amounts reported as liabilities. Proceeds from issuing long-term debt is reported as an other financing source and repayment of long-term debt is reported as an expenditure.

Accumulated Unpaid Vacation

The District's employees earn from one to one and a half hours of vacation pay for every twenty hours worked depending upon their length of service. Vacation time not taken may be carried forward to subsequent periods; but upon termination, no more than thirty days of accrued vacation will be paid to the employee. Earned vacation has been charged to the funds based on the same allocation as regular salary.

Capital Assets

Capital assets include significant acquisitions of equipment that are expected to remain in service for a period of years. Capital assets are reported in the government-wide financial statements but are excluded from the fund financial statements. Instead, the funds report the acquisition of capital assets as expenditures rather than asset acquisitions. Capital assets are depreciated using the straight-line method and useful lives ranging from 5 years to 7 years.

Interfund Receivables And Payables

Amounts of cash held or disbursed by the General Fund on behalf of other funds are recorded as Interfund Payables and Receivables. These Interfund Payables and Receivables are eliminated from the government-wide financial statement presentation.

Loans and Allowance for Loan Losses

Loans are reported at the amount of unpaid principal reduced by an allowance for loan losses. The allowance for loan losses is based on an amount that management believes will be adequate to absorb potential losses on existing loans. The allowance is established through a provision for loan losses charged to expenditures. Loans are charged against the allowance for loan losses when management believes that the collectability of principal is unlikely.

Cash And Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the District may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Credit risk associated with bank deposits is limited by requiring fiscal agent banks to pledge securities as required by State Law. Furthermore, interest rate risk associated with certificates of deposits is typically mitigated by purchasing instruments that mature in one year or less.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2009

Use Of Estimates

The preparation of financial statement in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Budgets

As discussed previously, Kisatchie-Delta is organized as a non-profit corporation rather than a political subdivision. Accordingly, Kisatchie-Delta is not required to prepare a formal budget or present budget comparisons with its financial statements.

NOTE 2 – INTERNAL BALANCES AND ACTIVITY

The interfund receivables and payables at June 30, 2009 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 20,438	\$ ----
Special Revenue Funds:		
Economic Development Administration	22,479	----
Intermediary Relending	----	30,875
Federal Procurement	15,294	-----
Rural Business Enterprise	----	7,339
Renewal Community	----	16,554
Cottonport Infrastructure	----	7,724
Other Governmental Funds	8,015	3,734
<u>Total</u>	<u>\$ 66,226</u>	<u>\$ 66,226</u>

Various funds deposit cash into a single bank account and money is disbursed from the account on behalf of these funds. This commingling of resources results in the interfund receivables and payables presented above.

Operating transfers for the year ended June 30, 2009 are presented as follows:

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2009

	<u>Operating Transfers In</u>	<u>Operating Transfers Out</u>	<u>Net</u>
General Fund	\$ ----	\$ 30,000	\$ (30,000)
Special Revenue Funds:			
Economic Development Admin	18,000	---	18,000
Federal Procurement	12,000	---	12,000
Other Governmental Funds	---	---	---
Total	\$ 30,000	\$ 30,000	\$ ----

The transfers described above were made in order to provide matching funds required by certain grants. The general fund transferred \$30,000 provided by membership dues to various programs. Recipients of these transfers included Economic Development Administration and Federal Procurement.

NOTE 3 – CAPITAL ASSETS

Changes in capital assets are presented as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
<u>Depreciable Capital Assets</u>				
Furniture, Fixtures and Equipment	\$ 31,010	\$ ----	\$ ----	\$ 31,010
Leasehold Improvements	10,554	---	---	10,554
Accumulated Depreciation	(36,805)	(2,093)	---	(38,898)
Total	\$ 4,759	\$ (2,093)	\$ ----	\$ 2,666
<u>Non Depreciable Capital Assets</u>				
Software In Development	\$ ----	\$ 2,000	\$ ----	\$ 2,000
Total	\$ ----	\$ 2,000	\$ ----	\$ 2,000

Depreciable capital assets are limited to furniture, fixtures, equipment and improvements used in the administration of Kisatchie-Delta's activities. Accordingly, depreciation expense is reported in the accompanying government-wide financial statements as a finance and administrative expense. Non depreciable capital assets consist of software in development. The custom software being developed by an outside vendor is expected to be placed in 2010.

NOTE 4 - INTERMEDIARY RELENDING PROGRAM

Kisatchie-Delta has been selected to participate in the Intermediary Relending Program sponsored by the United States Department of Agriculture. As an intermediary, Kisatchie-Delta has borrowed \$2,000,000 from the Farmers Home Administration at an interest rate of one percent (1%). Funds

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2009

borrowed from the Farmers Home Administration were used to create a portfolio of revolving loans to eligible borrowers within the Kisatchie-Delta District.

As of June 30, 2009, the loan portfolio consist of nine (9) loans that are secured by a variety of collateral that includes real estate, equipment and inventories. The amount currently outstanding is presented as follows:

Loans Receivable	\$	262,222
Allowance for Loan Losses		(56,126)
Loans (net)	\$	206,096

An analysis of activity effecting the allowance for loan losses for the year ended June 30, 2009 is presented as follows:

<u>Allowance For Loan Losses:</u>		
Balance, Beginning of the Year	\$	64,122
Provision for Bad Debts		---
Loans Charged Off		---
Recoveries		(7,996)
Balance, End of the Year	\$	56,126

NOTE 5 - LONG-TERM DEBT

The following is a summary of long-term debt transactions for the year ended June 30, 2009

	<u>Accrued Leave Liability</u>	<u>Farmers Home Administration</u>	<u>Total</u>
Beginning of Year	\$ 9,635	\$ 1,200,744	\$ 1,210,379
Additions	---	---	---
Long-term Debt Retired	2,995	70,253	73,248
End of Year	6,640	1,130,491	1,137,131
Due Within One Year	---	70,955	70,955
Due in More Than One Year	\$ 6,640	\$ 1,059,536	\$ 1,066,176

Notes payable at June 30, 2009 are comprised of the following general obligations:

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2009

A \$2,000,000 loan from the USDA at 1% for the purpose of financing Kisatchie-Delta's participation in the Intermediary Relending Program. Interest is due in semi-annual installments beginning July 8, 1994. Principal and interest will be paid in a series of equal installments beginning February 8, 1997 and continuing for a period of thirty (30) years. The note is secured by Kisatchie-Delta's intermediary loan portfolio.

\$ 1,130,491

Since Kisatchie-Delta's general obligations were incurred to finance the IRP loan program, the IRP loan fund has provided resources to service the general obligation debt. In addition, interest incurred in connection with the general obligations has been reported in the Statement of Activities as a business loan program expense. For the year ended June 30, 2009, the business loan program expenses included interest expense totaling \$12,007.

Compensated absences are usually liquidated by Kisatchie-Delta's general fund

Future payment of principal and interest on outstanding general obligations is presented as follows:

<u>Year Ended June 30th</u>	<u>Principle</u>	<u>Interest</u>	<u>Total</u>
2010	70,955	11,305	82,260
2011	71,665	10,595	82,260
2012	72,381	9,879	82,260
2013	73,105	9,155	82,260
2014	73,836	8,424	82,260
2015 – 2019	380,405	30,895	411,300
2020 – 2024	388,144	11,490	399,634
Total	\$ 1,130,491	\$ 91,743	\$ 1,222,234

NOTE 6 - ACCOUNTS RECEIVABLE

Accounts receivable at June 30, 2009 are presented as follows:

Grant contracts	\$ 24,825
Service fees	16,025
Other	---
Total	\$ 40,850

NOTE 7 - COMPENSATION OF BOARD MEMBERS

During the year, no compensation was paid to any member of the District's Board of Directors.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2009

NOTE 8 - CASH

At June 30, 2009 the District's cash balances totaled \$530,787 (Book Balance) and \$541,725 (Bank Balance). The bank balance of is secured by FDIC insurance totaling \$306,216 and collateralized by pledged securities held by the custodial bank in the name of the fiscal agent bank with a market value at June 30, 2009 of \$627,502. Even though the pledged securities are held in the name of the fiscal agent bank, State law imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds on demand.

A portion of the bank balance was held in an account that was not insured or collateralized by pledged securities. The portion of deposits that were unsecured at June 30, 2009 totaled \$2,665.

NOTE 9 - RISK MANAGEMENT:

Kisatchie-Delta is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks of loss are covered by a comprehensive commercial insurance policy and workers compensation insurance. Claims resulting from these risks have historically not exceeded insurance coverage.

NOTE 10 - FUND BALANCES

At June 30, 2009, the following funds reported deficit balances:

Enterprise Zone	\$ 3,352
Cottonport Infrastructure	7,755
Pineville Infrastructure	382
RBEG	5,492
Renewal Community	9,285
<u>Total Deficits</u>	<u>\$ 26,266</u>

The General Fund will provide operating transfers to eliminate any deficit that cannot be eliminated through ordinary operations.

NOTE 11 - LEASE

The lease agreement executed by Kisatchie-Delta to acquire office facilities necessary for operations expired during the current year. The obligation for rental payments is limited to monthly basis until the terms of a new lease agreement have been reached. For the year ended June 30, 2009, lease expenditures totaling \$10,200 were incurred and reported as finance and administration expenditures.

Kisatchie-Delta

Regional Planning and Development District

Notes to Financial Statements

June 30, 2009

NOTE 12 – LITIGATION

Kisatchie-Delta is named as a defendant in pending litigation; however, due to limited discovery an estimate of possible loss cannot be made at this time.

KISATCHIE-DELTA

REGIONAL PLANNING AND DEVELOPMENT DISTRICT, INC.

Combining Statement of Revenues, Expenditures and Changes in Fund Balance Non Major Governmental Funds - Year Ended June 30, 2009

	Enterprise Zone	Delta Regional Authority	LED	Pineville Infrastructure	Total
Revenues:					
Grants - Federal	\$ -	\$ 5,963	\$ -	\$ -	\$ 5,963
Grants - State	-	-	-	-	-
Local funds	-	3,750	-	-	3,750
Miscellaneous	-	5,000	-	-	5,000
Total revenues	-	14,713	-	-	14,713
Expenditures:					
General Government					
Assistance to Local Governments	-	-	-	-	-
Delta Regional Assistance	-	9,979	-	-	9,979
Rural Business Enterprise	-	-	-	-	-
Total expenditures	-	9,979	-	-	9,979
Excess (deficiency) of revenues over expenditures	-	4,734	-	-	4,734
Other Financing Sources (Uses):					
Operating transfers in (out)	-	-	-	-	-
Excess (deficiency) of revenues and other resources over other resources over (under) expenditures and other uses	-	4,734	-	-	4,734
Fund balance - beginning of year	(3,352)	15,500	1,730	(382)	13,496
Fund balance - end of year	\$ (3,352)	\$ 20,234	\$ 1,730	\$ (382)	\$ 18,230

The accompanying notes are an integral part of the financial statements

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M. DALE HARRINGTON, CPA
RETIRED - 2005

December 18, 2009

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Kisatchie-Delta Regional Planning
and Development District
Alexandria, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Kisatchie-Delta Regional Planning and Development District, as of and for the year ended June 30, 2009 which collectively comprise Kisatchie-Delta's basic financial statements and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Kisatchie-Delta's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Kisatchie-Delta's internal control over financial reporting. Accordingly, do not express an opinion on the effectiveness of Kisatchie-Delta's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Kisatchie-Delta's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Kisatchie-Delta's financial statements that is more than inconsequential will not be prevented or detected by Kisatchie-Delta's internal control.

-Members-

American Institute of Certified Public Accountants • Society of Louisiana, CPAs

KISATCHIE-DELTA REGIONAL PLANNING AND DEVELOPMENT DISTRICT

DECEMBER 18, 2009

PAGE 2

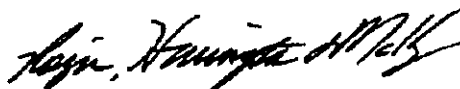
A material weakness is a significant deficiency or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Kisatchie-Delta's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of the this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Kisatchie-Delta's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management and is not intended to be and should not be used by anyone other than these specified parties.



ROZIER, HARRINGTON & MCKAY
Certified Public Accountants

KISATCHIE-DELTA
REGIONAL PLANNING AND DEVELOPMENT DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COST
FOR THE YEAR ENDED JUNE 30, 2009

We were engaged to audit the financial statements of Kisatchie-Delta Regional Planning and Development District as of and for the year ended June 30, 2009, and have issued our report thereon dated December 18, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our report expresses an unqualified opinion on the financial statements for the year ending June 30, 2009.

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

a. The report on internal control and compliance material to the financial statements reported the following items:

- Internal Control – There were no reportable conditions
- Compliance – No noncompliance that is material to the financial statements.

b. Federal Awards:

- N/A, Federal Awards received during the year ended June 30, 2009 were not sufficient in amount to require a single audit.

c. Identification of Major Programs:

- N/A

SECTION II - FINDINGS RELATING TO THE FINANCIAL STATEMENTS WHICH ARE REQUIRED TO BE REPORTED IN ACCORDANCE WITH GENERALLY ACCEPTED GOVERNMENTAL AUDITING STANDARDS:

- None

SECTION III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS WHICH SHALL INCLUDE AUDIT FINDINGS AS DEFINED BY OMB CIRCULAR A-133:

- None

KISATCHIE-DELTA
REGIONAL PLANNING AND DEVELOPMENT DISTRICT
MANAGEMENT'S CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2009

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings were reported in the schedule of findings and questioned costs.	Response - N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings were reported in the schedule of findings and questions cost.	Response – N/A
SECTION III MANAGEMENT LETTER	
No findings were reported in the schedule of findings and questions cost.	Response – N/A

KISATCHIE-DELTA
REGIONAL PLANNING AND DEVELOPMENT DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 2009

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS.	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
No findings of this nature were reported as a result of the previous audit.	Response – N/A
SECTION III MANAGEMENT LETTER	
No findings of this nature were reported as a result of the previous audit.	Response – N/A